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# REPORT OF THE SECRETARY-GENERAL ON THE ACTIVITIES OF THE OFFICE ON INTERNAL OVERSIGHT SERVICES

Note by the Secretary-General

Addendum

In accordance with paragraph 5 (e) (iii) of General Assembly resolution 48/218 B of 29 July 1994, the Secretary-General has the honour to transmit to the members of the General Assembly the comments of the Joint Inspection Unit on final reports produced by the Office of Internal Oversight Services.

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ANNEX

Comments of the Joint Inspection Unit on final reports produced by the Office of Internal Oversight Services (OIOS)

## I. REPORTS OF OIOS BEFORE THE FIFTIETH SESSION OF THE GENERAL ASSEMBLY

1. Pursuant to paragraph 5 (e) (iii) of General Assembly resolution 48/218 B of 29 July 1994, the Joint Inspection Unit (JIU) presents its comments on the following final reports produced by the Office of Internal Oversight Services (OIOS) which were prepared for consideration by the forty-ninth session of the General Assembly but postponed to its fiftieth session.

2. The Secretary-General has just conveyed these reports to the General Assembly, in some cases without his comments as envisaged in the above-mentioned resolution. Thus, JIU assumes that the Secretary-General is in full agreement with the contents of the pertinent reports. This observation is also valid in regard to the reports referred to in part II of the present report.

3. JIU wishes to remark that for a number of OIOS reports, particularly those dealing with specific investigations and inspections, its comments are necessarily limited or nil because of the lack of access to the original records. JIU hopes that this situation will be overcome and it intends to undertake the necessary coordination with OIOS in this regard.

4. According to the document entitled "Status of documentation of the Fifth Committee" (A/C.5/50/L.1), five other reports of OIOS are expected to be introduced at the fiftieth session of the General Assembly. Since JIU has not yet received copies of those reports, it is unable to present its comments on them. As a matter of procedure, JIU recommends to the General Assembly to consider only those reports of OIOS that have been commented upon by JIU, unless the delays in providing comments are attributable to JIU.

### A. Final report on the in-depth evaluation of peace-keeping operations: start-up phase (E/AC.51/1995/2 and Corr.1 and 2)

General comments

5. The report presents a good overview of the issues associated with the start-up phase of peace-keeping operations. It identifies in a systematic way the Secretariat units responsible for particular functions and activities in this area. It also assesses the degree to which guiding principles and operating procedures exist for a number of substantive components of complex missions and for support functions. These are useful features of the report. In addition, it contains information on the implementation of recommendations set out in the progress report on the in-depth evaluation which was issued in 1994 (E/AC.51/1994/3 and Corr.1).

Methods of data collection

6. In paragraph 3 the report states that it is based on published United Nations documentation, relevant internal documents, external studies and structured interviews with United Nations staff members. Since peace-keeping is the area in which many Member States actively participate, consultations with their representatives would have been useful in order to identify other relevant issues (see sect. E below). The progress report did not include interviews with them either (E/AC.51/1994/3, para.6).

Recommendations

7. The report contains 21 recommendations, the majority of which explicitly identify the Secretariat units responsible for the implementation. Some of the recommendations also specify a time-frame for implementation. These specifications will facilitate implementation and establish a clear focus of responsibility and accountability. The Inspectors commend this approach and encourage it as a very important tool for the follow-up and implementation process of recommendations approved by legislative bodies. Nevertheless, setting target dates for implementation requires analysis of relevant factors, such as the availability of resources and expertise, and therefore, is not an easy task for evaluators. However, to the extent possible, such dates should be set in consultation with the implementing units, when formulating recommendations.

8. Most of the report's recommendations seem useful and action-oriented. With regard to recommendation 19 on page 32, however, it should be pointed out that the recommendations of the High-level Expert Procurement Group are highly specialized and technical. It is, therefore, necessary for OIOS to have pertinent expertise when assessing the Secretariat's compliance with the Group's recommendations.

Other relevant issues

9. As mentioned in paragraph 2 above, the evaluation team did not interview the representatives of Member States when preparing either the progress or the final report. In the Inspectors' opinion, had they consulted troop-contributing countries, many of which have military advisers in their permanent missions in New York, the team could have identified other relevant issues. For example, the needs of troop-contributing countries at the start-up phase could have been determined. The team could have then evaluated the Secretariat's capacity to respond to such needs.

10. The final report is concerned with the assessment of readiness to act for substantive components of missions and for support functions. It also reviews humanitarian and civil administration aspects of peace-keeping operations. Problems encountered at the start-up phase are, however, discussed only briefly. Owing to the page-limitation rule, it is understandable that the report cannot examine these problems in detail. However, the Inspectors consider that the report could have identified important problems that could be the subject of future studies by OIOS or other competent bodies.

Implementation of the recommendations of the progress report

11. The final report states in its paragraph 4 that considerable attention is devoted in the report to a review of compliance with the recommendations of the progress report issued in 1994. While this may be a useful feature, it should be noted that recommendations of the Committee on Programme and Coordination (CPC) become binding only after their endorsement by the Economic and Social Council and the General Assembly. Furthermore, CPC endorsed only recommendation 19 of the progress report which concerned the preparation of the final report. The Committee took note of other recommendations of the progress report and agreed that the General Assembly would have to review them in the light of possible statements of programme budget implications (PBI) during the forty-ninth session of the General Assembly. PBI are provided only when intergovernmental bodies are considering draft resolutions or decisions. Since CPC did not endorse those recommendations of the progress report, such implications were not submitted to the General Assembly. Accordingly, the General Assembly did not review the recommendations. It does not, therefore, seem appropriate to use the term "compliance".

Conclusions and recommendations of CPC on the final report

12. The CPC stated clearly which recommendations it endorsed. It also explained the reasons for not endorsing others. However, in the case of recommendations 5 and 9 to 12, it concluded that they needed to be examined further by the relevant intergovernmental bodies. The Inspectors believe that it would have been desirable for the Committee to specify those intergovernmental bodies; without such specification, the Committee's intention might become subject to different interpretations by the Secretariat (i.e. the selection of intergovernmental bodies to which those recommendations were to be transmitted).

## B. In-depth evaluation of the programme on environment (E/AC.51/1995/3 and Corr.1)

13. The Inspectors note that the general thrust of this report is designed, as stated by OIOS, "to refocus activities [of the United Nations Environment Programme (UNEP)] by strengthening its partnership with other organizations within and outside of the United Nations system, with due regard to its role as a global environment programme".

14. In line with this broad orientation of focus, the report presents a comprehensive description of policy and institutional, and operational issues that characterize UNEP's working relations with its numerous partners active in the field of environment. Because of its extensive scope, the report could not review in greater depth some crucial issues for UNEP arising from Agenda 21, such as its global coordinating role and its institutional relationships with other global entities, such as the Global Environmental Facility (GEF) at the World Bank or the Inter-Agency Committee on Sustainable Development of the Administrative Committee on Coordination (ACC).

15. The increasing number of environmental conventions coming into force, together with the secretariats required to service them, will certainly heighten the challenge of intergovernmental and inter-secretariat coordination within the United Nations system in particular and the international community at large. The Inspectors believe, therefore, that the overall effectiveness of UNEP will depend in the main on how well it is able, as overall coordinator, to catalyse the resources and energies of the international community in the pursuit of the global priorities identified in Agenda 21. The report by OIOS could have provided a more thorough analysis of this question, which is central to the strengthening of UNEP's partnership with other organizations within and outside of the United Nations system.

## C. Reports on the programme and administrative practices of the secretariats of the regional commissions for Africa, Western Asia and Europe (A/49/891, annex)

### 1. Secretariat of the Economic Commission for Africa

16. The focus of this report is confined to programme and administrative support issues which are analysed briefly. The Inspectors concur with a number of critical observations made in the report, especially with respect to the serious lack of reliable statistical information on economic and trade patterns in African countries, or the need to raise the overall technical quality of staff in the substantive programme divisions of the Commission's secretariat.

17. On the question of the formulation of a new development strategy for Africa, the Inspectors observe that the Organization of African Unity (OAU), with the technical support of ECA, has already adopted successive regional development strategies, the most recent being the Cairo Agenda: Relaunching Africa's Economic and Social Development, adopted by the OAU Summit on 25 June 1995. There is also the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF), which is the subject of a recent in-depth evaluation by JIU. The Inspectors believe that ECA and other organizations of the United Nations system should concentrate on supporting implementation of these regional programmes and should not devote scarce resources to the formulation of new continental programmes. At any rate, new intercountry programmes should be specific to the subregional economic communities which African countries have established to serve as building blocks for regional economic cooperation and integration.

18. The Inspectors fully share the views of the Secretary-General in his introductory note to the OIOS report under review, especially regarding the need to eliminate duplication and reinforce collaboration between ECA and the specialized agencies, regional organizations and global secretariat entities in the economic and social sectors. In this regard, the Inspectors have proposed, in their recent evaluation of UN-NADAF, a number of measures consistent with the Secretary-General's position and covering some of the critical observations made in the report by OIOS. As stated in the JIU report on UN-NADAF, the Inspectors believe that a new, more streamlined mandate and organizational strategy for ECA should, among other things, enable the Commission's secretariat to:

(a) Be actively involved at country level in assisting Governments to design or strengthen their macroeconomic policy frameworks and public sector reform programmes, investment promotion strategies, commodity diversification and export promotion schemes, etc. within the context of Africa's regional development blueprints;

(b) Be similarly engaged at country level to ensure that the country strategies and programmes (e.g. long-term perspective studies, round-table conferences, country strategy notes and policy framework papers) of international organizations do incorporate or take into account, whenever feasible, subregional dimensions and priorities;

(c) Concentrate its expertise on a hard core of programmes outside the constitutional competence of other organizations of the United Nations system, such as intra-African economic cooperation and integration; Transport and Communications Decade programme for Africa; collection, analysis and dissemination of development statistics on Africa and periodic review and publication of national, subregional and regional social and economic development trends; science and technology policies, programmes and institutions; women in development; or investment feasibility studies and trade promotion and facilitation activities in collaboration with UNCTAD;

(d) Strengthen and preferably institute collaboration and complementarities with other organizations of the United Nations system, including in particular the Bretton Woods institutions, and study together with the other parties concerned the possibility of establishing a joint Africa investment promotion and facilitation division or programme involving the African Development Bank, ECA, the International Bank for Reconstruction and Development and the United Nations Industrial Development Organization that could spearhead accelerated implementation of the United Nations Transport and Communications Decade and Industrial Development Decade programmes for Africa;

(e) Decentralize at least 30 per cent of its staff to its Multinational Programming and Operational Centres (MULPOCs) and relocate these centres to enable them to provide technical support on a regular basis to the individual member countries and secretariats of the different subregional economic communities, and to collaborate more intensely with United Nations system field offices with subregional scope, such as at Abidjan, Cairo, Nairobi, etc.;

(f) Enhance significantly its information dissemination and sales publications programmes to ensure that African States and populations as well as the international community are regularly kept informed of socio-economic developments in Africa, also bearing in mind that ECA's overall image will benefit from a full-fledged information and publications effort reflecting the creativity and achievements of the Commission, its member countries and the United Nations system in Africa.

### 2. Secretariat of the Economic and Social Commission for Western Asia (ESCWA)

19. The Inspectors note that the three main recommendations contained in the report on ESCWA were endorsed by the Commission at its seventeenth session held at Amman in May 1994, and that ESCWA's revised work programme was also, according to OIOS, endorsed by the Committee for Programme and Coordination at its thirty-fourth session in 1994.

20. The Inspectors are of the view that OIOS recommendations have made a useful contribution to raising the overall quality of work of the ESCWA secretariat. They observe, however, that the secretariats of other regional commissions should have been included among the organizations identified in paragraph 7 (a) of the report to designate appropriate staff to participate in the appraisal and restructuring of ESCWA's work programme bearing in mind the need to strengthen interregional linkages through the commissions' secretariats.

### 3. Secretariat of the Economic Commission for Europe (ECE)

21. The Inspectors concur in general with the conclusions and recommendations pertaining to the ECE programme of work and the need to assign due priority to addressing the special needs of countries in transition to market economies. In this and other respects, however, the Inspectors consider that ECE should develop stronger cooperative relationships with other relevant European organizations, especially the European Commission, the European Bank for Reconstruction and Development and the Organisation for Economic Cooperation and Development.

22. Furthermore, the ECE secretariat could do more to play a team leadership role at the regional level in coordinating the programmes and activities of the other organizations of the United Nations system in support of countries in Central and Eastern Europe and the Commonwealth of Independent States. The report by OIOS could have highlighted these desirable aspects of the work of ECE.

## D. Report on the programme and administrative practices of the Centre for Human Rights (A/49/892, annex)

23. The report is the result of the review of the programme and administrative practices of the secretariat of the Centre for Human Rights. It represents an appraisal of the difficulties encountered by the Centre, particularly in providing an effective and timely response to serious incidents of violation of human rights and significant support to the development of an institutional framework for the promotion and protection of human rights. The report, in particular, indicates deficiencies of the Centre in the substantive servicing of the Commission on Human Rights, the Subcommission on Prevention of Discrimination and Protection of Minorities, treaty bodies, etc., and a modest level of substantive servicing of fact-finding exercises. In this regard, the report notes the excessive reliance of the Centre on outside expertise in this sensitive and politically controversial area.

24. With regard to the administrative and financial problems of the Centre, the report observed the absence of any central mechanism for overall programme oversight, as well as the lack of performance evaluation. The Inspectors consider particularly disturbing the fact that, despite a large number of internal control weaknesses and administrative shortcomings identified in previous years by internal and external auditors, the Centre did not take any corrective actions.

25. The report presents seven major recommendations which were accepted by the Centre. However, JIU is concerned with the inadequate attention given by the Centre to the implementation of these recommendations as reported in appendix I of the report.

26. JIU was informed that a new external consultant has been awarded a contract for a period of three months to look into all aspects of the functioning of the Centre and to make proposals for its improvement.

27. The Inspectors caution against the excessive use of outside expertise, particularly for oversight services, due to potential conflict of interests of the experts who are hired by the administration precisely to inspect, investigate or evaluate its services. The Inspectors recommend that the United Nations Secretariat provide the General Assembly with transparent information on the consulting firms it is contracting out to and the source of financing. The Administrative Committee on Administrative and Budgetary Questions has cautioned several times on the same matter.

### E. Review of the Field Administration and Logistics Division, Department of Peace-keeping Operations (A/49/959, annex)

28. The report is a review of the organizational, managerial, control and legislative structure of the above-mentioned Division. As stated in paragraph 1 of the report, this review was the primary response to General Assembly resolution 49/233 of 23 December 1994 which called upon OIOS to undertake an inspection of the units within the secretariat responsible for logistical, operational and administrative arrangements in peace-keeping operations and other field operations, with a view to identifying problems and recommending measures to enhance the efficient utilization of resources.

29. OIOS applied sound standards in conducting this inspection and the team carried out extensive interviews of staff at various levels and reviewed available documents.

30. The OIOS report identifies many organizational, managerial, management control and legislative problems which negatively affect the operations of this key Division. These problems are summarized in table 1 of the report.

31. The Inspectors fully support the approach taken by OIOS in paragraph 7 of its report, namely, that the Division/Department take appropriate steps to address the operational, organizational, and control weaknesses identified. However, they wish to make comments on a number of concrete recommendations.

32. Recommendation (a). JIU supports and highlights this recommendation as regards limiting military officers to positions of a purely technical advisory capacity. Furthermore, the Unit would like to recall that this problem is not confined to this category of personnel nor to that particular Division. For example, the Unit understands that there are cases in which contractual and/or loan personnel have been or are being assigned to supervising posts. Thus, the Inspectors recommend that a comprehensive review of this problem be carried out by OIOS across the United Nations Secretariat, including the peace-keeping and other field operations.

33. Recommendation (h). The Inspectors agree with the Secretary-General on the need to further study the question of delegation of authority in the purchase of communications equipment for peace-keeping operations. In the Unit's opinion, such delegation of authority should be considered only after the other internal corrective actions have been taken. In the current situation of mismanagement it would not be wise to grant this authority to the Division.

34. Recommendation (o). JIU agrees with the concerns expressed by OIOS about the recent Office of Human Resources Management delegation of authority to the Division, and the ability of the Division/Department to discharge the resulting additional responsibilities effectively in the immediate future. For the reason expressed in paragraph 32 above, the Unit cautions against this delegation of authority.

35. Recommendation (q). The Inspectors consider it useful for the General Assembly to receive accurate estimates of those substantial financial implications relating to war-risk insurance. This comment is also relevant to the report's references on asset management and control (paras. 27 and 40).

36. Regarding the recommendation addressed to the General Assembly in paragraph 49, JIU wishes to recall that neither the current financial regulations and rules of the United Nations nor the terms of reference of OIOS appear to contain provisions allowing OIOS to submit budgetary proposals directly to the General Assembly. Although the Unit has no objection to providing this Division with more resources, it considers that the current budgetary procedures should be followed.

37. In column (a) (5) of table 1, the report states that "The Division is bound by certain United Nations Financial Regulations/Rules and interdepartmental procedures that have impeded efficiency", but fails in describing them and in recommending concrete solutions.

38. Paragraph 14 states that "Perhaps the worst of these problems, from the perspective of the operations which the Division supports, is that current recruitment practices, contract possibilities and related funding limitations are not at all conducive to attracting qualified individuals ..." Referring to the 300 series of the Staff Rules that were promulgated in 1994, the report suggests to consider appointments of limited duration for staff placed against posts from the support account. JIU considers that this is a delicate issue involving policy-making decisions, and that any proposal should be further elaborated by OHRM before taking a final decision.

39. In paragraphs 29-37 the report discusses the method of calculating the peace-keeping support costs and whether the resources authorized under the support account are consistent with the overall requirements. Since this method is used throughout the United Nations Secretariat, JIU considers it difficult to draw conclusions based on the experience of a single division. The general issue of backstopping activities of peace-keeping operations is a policy-making question under consideration by the Member States; thus, JIU wishes to refrain from making comments on the subject at this stage.

40. JIU would like to add one comment which is based on Inspectors' observations during the preparation of the report on the military component of peace-keeping operations. In the course of interviews for this study some troop-contributing countries expressed their dissatisfaction with certain procurement practices and logistic support by the Field Administration and Logistics Division. It was noted that while FALD became, organizationally, part of DPKO, it continued to have a certain independence and was not fully integrated within DPKO. Thus, the Inspectors recommended that the Secretary-General carry out the full integration of FALD within DPKO. This conclusion and recommendation substantiate the observations made above regarding delegation of authority.

## II. REPORTS ACTED UPON BY THE GENERAL ASSEMBLY AT ITS FORTY-NINTH SESSION

41. The Unit also presents its ex post facto comments on the three reports already introduced to and acted upon by the General Assembly at its forty-ninth session.

42. This being the first experience, JIU does not object to conveying its comments ex post facto but it hopes that in the future final reports will be received on time to allow the Unit to present its comments together with the pertinent reports, as envisaged by the General Assembly. OIOS has given JIU assurances in this regard.

43. The Inspectors wish to remark that for a number of OIOS reports, particularly those dealing with specific investigations and inspections, the comments are necessarily limited due to the lack of access to the original records. The Unit hopes that this situation will be overcome, and intends to undertake the necessary coordination with OIOS in this regard.

### A. Progress of the investigation and action thereon to determine responsibility for the theft of US$ 3.9 million in the United Nations Operation in Somalia II (A/49/843)

44. Since this report concerns the result of an investigation, the Joint Inspection Unit is not in a position to make meaningful comments without access to the original records of the investigation.

B. Report of the Office of Internal Oversight Services on the investigation of allegations of irregularities and mismanagement made by Mr. Frank Ruddy, former Deputy Chairman of the Identification commission of the United Nations Mission for the Referendum in Western Sahara (A/49/884, annex)

45. This report concerns the results of an investigation. Without access to the original records of the investigation, JIU finds it difficult to make any comments.

C. Report of the Office of Internal Oversight Services on the audit of the United Nations Mission for the Referendum in Western Sahara (A/49/937, annex)

46. This report presents the results of a follow-up audit. The report is well organized and easy to read. However, without access to the original audit reports, it is difficult to make any comments.

47. It is regrettable to note that the MINURSO administration did not comply with the instructions issued by Headquarters on 25 April and 12 May 1994 to take the necessary action to safeguard United Nations assets, after the theft of US$ 3.9 million in the United Nations Operation in Somalia. Although the audit team found that the security and other arrangements in place were generally adequate for the amount of cash involved, it recommended that further security measures be taken to ensure the integrity of the cashier's office in terms of theft. Such measures included the instalment of iron bars between the cashier's office and the Finance Section and a sound alarm system (paras. 9-10). These measures should have been taken immediately after the issuance of the instructions by Headquarters in the spring of 1994.

D. Report of the Office of Internal Oversight Services on the audit of the United Nations Protection Force (UNPROFOR) personnel pilot project (A/49/914, annex)

48. The report is the result of the audit. Although some of the problems raised, such as remuneration of personnel employed in peace-keeping operations and more extensive use of United Nations Volunteers is of concern to JIU and are actually reflected in its report on staffing of the United Nations peace-keeping and related missions (civilian component) (JIU/REP/93/6), it is difficult to make any substantive comments without access to the original records.

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